

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2067 - SB 2009

March 5, 2018

SUMMARY OF BILL: Authorizes a county mayor to contract the territory of a utility district which provides electric service if certain criteria are met. Requires the county legislative body to hold a public hearing and notify, by mail, all persons impacted by the potential contraction of the territory prior to passage of a resolution.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The proposed language would authorize a county mayor to contract the territory of a utility district providing electric service under the following circumstances:
 - At least 50 percent of the utility district's electric service customers must be located in the county but outside of the jurisdiction of the municipality operating the utility district;
 - Persons residing within the proposed territory to be contracted will have access to electric service provided by a different utility district, if such contraction occurs;
 - A public hearing is held, after notification of such hearing is provided to all persons residing within the proposed territory to be contracted; and
 - The county legislative body passes a resolution, after a public hearing, by two-thirds majority, which states the county legislative body is concerned about the district's management.
- Under current law, pursuant to Tenn. Code Ann. 7-82-302(a)(1), utility districts are empowered to conduct, operate, and maintain a system or systems for the furnishing of water, sewer, sewage disposal, natural gas, propane gas, artificial gas, police, fire protection, garbage collection and disposal, street lighting, parks and recreational facilities, transit facilities, and transmission of industrial chemicals by pipeline.
- Utility districts are not currently authorized to provide electric service; therefore the proposed language does not impact any existing utility district created pursuant to Tenn. Code Ann. Title 7, Chapter 82.
- Any impact to local government is estimated to be not significant.

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IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- The proposed language is applicable to the contraction of municipally-owned utility districts' territory and will not result in any significant impact to commerce or jobs within Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jrh